



September 15, 2004

The Honorable Jim Doyle
Governor
Room 115 East, State Capitol
Madison, WI 53702

Dear Governor Doyle:

I am pleased to submit the Department of Workforce Development's (DWD) 2005-07 biennial budget request.

The department's proposed budget builds on the themes and core concepts identified in your major budget policies for 2005-07. Within the programs at DWD, this translates into a number of initiatives to support growing the economy, caring for Wisconsin's kids, and protecting Wisconsin's citizens.

The policy items submitted by the Department in this request include:

- Support the Grow Wisconsin initiative
 - Bringing together skilled quality workers and high demand, high growth industries
 - Conducting a demonstration project to better connect those on Unemployment Insurance benefits with employment and training activities and jobs
 - Providing infrastructure support for Job Centers
- Improve Child Care programs
 - Positioning the department to integrate enhanced quality child care strategies and programs under your Quality Counts for Kids initiative
 - Consolidating child care programs
- Strengthen and improve the W-2 program
 - Proposing a Trial Jobs Plus demonstration project
 - Restoring funding for the Workforce Attachment and Advancement Program
 - Providing support for the Wisconsin Employment Transportation Assistance Program
 - Extending eligibility for W-2 Custodial Parent of an Infant from 12 weeks to 6 months (with participation requirements)
 - Extending benefits to pregnant women who do not have children in their third trimester, if they are "at risk" in their pregnancy

- Expand *Children First* statewide
- Address funding issues in the Child Support program
- Increase funding for the Vocational Rehabilitation program
- Improve services under the Refugee Family Strengthening Program
- Provide continued support for the Apprenticeship Program and expand into the field of health care
- Protect children in employment settings through an Automated Child Labor Work Permit Internet System
- Address potential funding issues in the Unemployment Insurance program

This request conforms to your major budget policies and instructions provided by the Department of Administration. GPR requests – with the exception of DVR as specified in the instructions – are limited to 100% of the adjusted base year. Any position requests are managed through base reallocations.


Given the budget constraints provided to agencies, there are two issues in the request I must highlight:

The TANF/Child Care budget, as submitted, is not yet balanced to allow for further review and attention from you and your staff. We have developed a request that reflects program needs and new initiatives in the context of your priorities. However, as the TANF budget affects so many agencies – with funds distributed across state government – and with great potential impact on the general fund, how the budget is balanced is ultimately a question to be addressed within the overall context of the executive budget.

Similarly, actions taken by the Joint Committee on Finance affecting the Child Support program during the 2003-05 biennial budget – predicated on federal incentive funds (a declining revenue source) – have resulted in a significant budget deficit. Absent a GPR increase to draw federal matching funds and restore support for program operations, our only alternative was to reduce incentive funding for county child support contracts.

I look forward to working with you in addressing these critical issues as the budget process progresses.

Sincerely,



Roberta Gassman
Secretary

Cc Marc Marotta, DOA
Bob Lang, LFB